



EMPLOYEE MOTIVATION (ENGAGEMENT) AND VALUE CREATION

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There is no verbal vitamin more potent than praise ... (Frederick B. Harris)

Abstract: The purpose of this paper is two-fold: one to present the theoretical framework underpinning the concept of employee motivation (engagement) and value creation and two is to outline the practical experiences at WNS in its various employee motivation (engagement) initiatives which forms the cornerstone of its people practices framework.

1. Introduction

For all practical purposes all business today is global. The new millennium has clearly been a wake-up call for organizations with the emergence of a new business environment. The six business trends that dominated the new business environment have been: technological change, increased globalization, continued cost containment, accelerated speed in market change, growing importance of knowledge capital, increased rate and magnitude of change (Rothwell, 1998). The impact of these trends was apparent in the way organizations were re-orienting their processes and practices. And whatever trends affect businesses and organizations, it is predicted that they will ultimately affect its human resources and the HR function of an organization.

Against this backdrop, faced with this business environment the new role of HR demands an outlook that differs considerably from the traditional role of HR. Organizations and people managers have been forewarned about the need to make the HR function more relevant to the purpose of the organization such that they are geared to address the challenges of the turbulent business environment and the trends that are impacting their survival and success. There is a growing consensus that globally competent organizations will depend on the uniqueness of their human resources and the system of managing human resources effectively to gain global competitive advantage. As HR moves to the forefront of the organization, the employees will become their premier asset.

And what are the possible implications that this may have for the People Practices function? The implications stems in part from the people-intensive nature of the business environment, for organizations are not just competing against each other for business, but also for the limited talent pool available. This heightens the impact and alignment of people management practices. Today "when competition for talent is hot, it is essential for organizations to identify and establish cutting edge HR practices that will enable them to attract, motivate and retain the best people to help the business thrive." Given the kind of talent pool that dominates this industry, one of the key



elements that would determine a cutting edge HR practices is the “employee engagement” framework that an organization adopts. Prior to looking at what are the common best practices in employee motivation and value creation, let us revisit some of the theoretical underpinnings of the concept of employee motivation (engagement) which drives its implementation.

2. The Concept: Employee Motivation

In understanding human behavior, psychologists have long been interested in what motivates specific actions. Simply put, “employee motivation is the art of helping people to focus their minds and energies on doing their work as effectively as possible”. A more theoretical and well-rounded definition is provided by the Stephen Robbin’s the guru of organization behavior who defines employee motivation as a “**process that account for an individual’s intensity, direction and persistence of effort toward attaining a goal, conditioned by the ability to satisfy a need**”. The three key elements of this are **intensity**: how hard a person tires, **direction**: that which is channeled towards the benefits of the organization and **persistence**: a measure of how long a person can maintain their effort. Motivated individuals stay with a task long enough to achieve their goal.

Taking Robbin’s theory forward motivation is essentially a need-satisfying process. The terminology “need” means some internal state that makes certain outcomes/results appear attractive. An unsatisfied need creates tension that stimulates drives within the individual. These drives generate a search behavior to find particular goals that, if attained will satisfy the need and lead to reduction of tension. Therefore, we can say that motivated employees are in a state of tension and to release this tension they release effort. And greater the tension, the higher the effort level. An effort that is directed towards and consistent with the organizational goals is the kind of effort that we should be seeking.

An increasing body of research is also starting to show a strong correlation between the level of motivation in the workforce and performance as measured on the bottom line. Evidence of clear cause and effect is problematic, given the sheer number of variables determining employee well-being and motivation; but the strong correlation can be drawn. In the last decade a survey of the best practices across organizations indicates that employee motivation is driven through a strong employee engagement framework. The concept of employee engagement is propounded by The Gallup Organization who has studied human nature and behavior for more than 70 years. The Gallup researchers through the Gallup Path have discovered how organizations can win in today’s increasingly competitive marketplace through “engaged employees”.

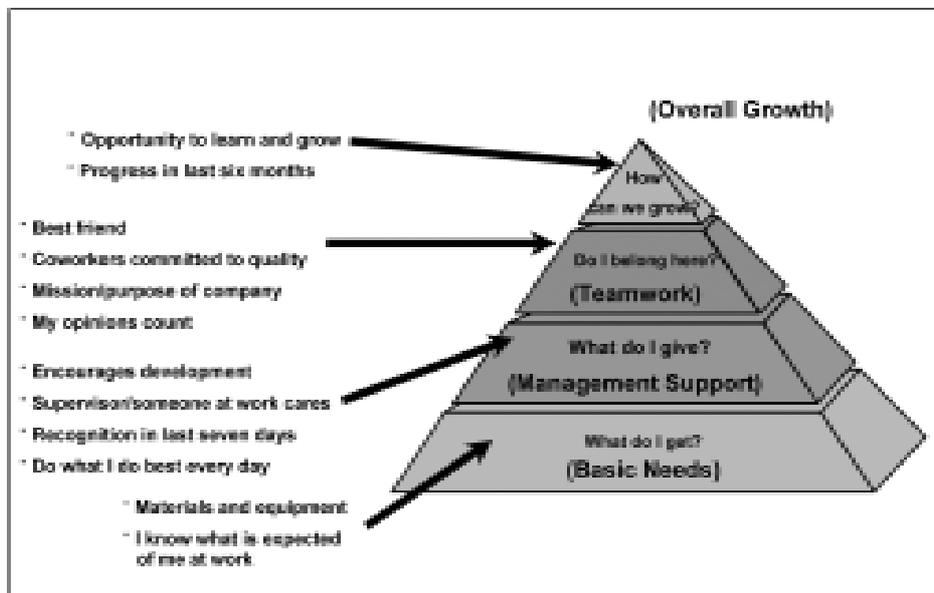
3. Employee Engagement

An Employee Joins the Company ...

But Leaves the Manager (By Gallup)

An engaged employee is someone who is 100% psychologically committed to the role. They are in a role that uses their talents, they know the scope of their job, and they are always looking for new and different ways of achieving the outcomes of their role.

Employee Engagement Hierarchy



(Source: The Gallup Organization)

If you were to look at probably the earliest theory of motivation the best known theory of employee motivation is the Maslow's hierarchy of needs theory wherein he hypothesized that within every human their exists a hierarchy of needs. If one were to use the similar metaphor and look at the employee engagement process it also looks at the hierarchy of employee needs in the context of his role in the organization. The engagement hierarchy is based on the following employee needs:

- What do I get?
- What do I give?
- Do I belong here?
- How can we grow?



4. Employee Motivation (Engagement) Practices @ WNS

There is no mystery to employee motivation (engagement). The only reiterating and perhaps most simplest and most effective school of thought on motivation is about “expressing sincere admiration for your employees”. When they know that you respect their efforts, ability and work, they are more apt to enjoy their job and heed your directions. And any genuine praise is the most basic energizer.

Nothing can be more true than this for the services industry, but by virtue of its knowledge based environment, highly competitive industry, demands for excellent standards of customer services, manage the ever rising customer expectations, maintaining the highest standards of quality by adhering to global best practices and handling diverse customers from completely different cultures that put unique pressures and stresses on the employees and require a very different HR focus to keep the employees enthused and motivated.

Debates have pitted those who favor extrinsic motivation (e.g., reward & recognition) against those who favor intrinsic motivation (praise & learning and development opportunities) in an attempt to determine what best motivates individuals. However a combination that targets both extrinsic and intrinsic motivation (engagement) factors is what is commonly prevalent, such as:

- **Recognize Individual's/Team Needs :**
Employees have different needs, don't treat them all alike. One's needs to take time out understand what's important to each employee ideally or at least for each team/group. This will allow you to individualize goals, level of involvement, and rewards to align with individual/team needs.
- **Learning & Development Opportunities :**
Learning is a very important aspect and lot of impetus is given on providing training and development opportunities. Motivational training is still to evolve in this industry.
- **Career Growth Opportunities :**
The growth momentum that the industry is witnessing is creating both vertical and lateral career opportunities. There should be strong and robust career growth opportunities. Employee growth through job enrichment and job rotation.
- **Employee Goals and Feedback :**
Employees should have hard, specific goals, as well as feedback on how well they are fairing in the pursuit of those goals. Goals can include personal and professional goals.
- **Participative Decision – Making :** Employees can contribute to a number of decisions that affect them: setting work goals, choosing their own benefit packages (flexi –pay), solving productivity and quality problems and the like. This can create increased employee productivity, commitment to work goals.

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- **Link Rewards to Performance** : Rewards should be contingent on performance. Importantly, employees must perceive a clear linkage. Regardless of how closely rewards are actually correlated to performance criteria, if individuals perceive this relationship to be low, the results will be low performance, a decrease in job satisfaction, and an increase in turnover and absenteeism statistics.
 - **Equity System** : Rewards should also be perceived by employees as equating with the inputs they bring to the job. At a simplistic level, this should mean that experience, skill, abilities, effort and other obvious inputs should explain differences in performance, and hence, pay, job assignments, and other obvious rewards.
 - **Fun@WorkCulture** : The growing trend is to have in-house fitness centers, yoga/mediation centers, gaming facilities, 24-hour coffee/snack bars, cyber cafes, hobby clubs, cinema corner etc. To beat the growing stress these provide excellent ways to help employees unwind and also align them to the organization.

And lastly catch employees at their best. Look for examples of stellar work. Set high standards and never miss a chance to congratulate someone for exceeding them. Acknowledge efforts not just results. Some employees will try –and fail. That’s the ideal time to say, “I like the way you tried so hard” But don’t just shrug and say, “Oh well at least you tried” or “Maybe next time”. Recognize effort as praise worthy in itself.

5. Conclusion

In conclusion, when employees are motivated (engaged) they utilize their natural talents that provides a competitive edge and aiding value creation. However in the role of motivation (engagement) Line Managers also have a vital part to play. Traditionally HR and Line Managers have been seen as silos in the organization. In the new organization paradigm, HR and Line Managers can at best be seen as part of the value chain (SHRI, 2002). Their value provided is translated into higher value and revenue generation for the organization.

References

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